



Global Treasury
Management

Working Capital and Liquidity Management Solutions

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Liquidity Management Objectives

Bank account rationalization

Benefit from natural hedges due to “portfolio” effect by diversifying risk of volatile cash flows



Gain visibility and control of liquidity positions

Across regions, currencies and legal entities. Accurate cash position information (bank account + forecast)

Optimizing cash management through automation

Reduce transaction costs of moving liquidity

Liquidity

Liquidity management solutions & objectives



Bank account rationalization



Gain visibility and control
of liquidity positions



Cash management
automation



Rationalize bank account structure

The best liquidity management solution is an optimized account structure

1 Reduce timing risks

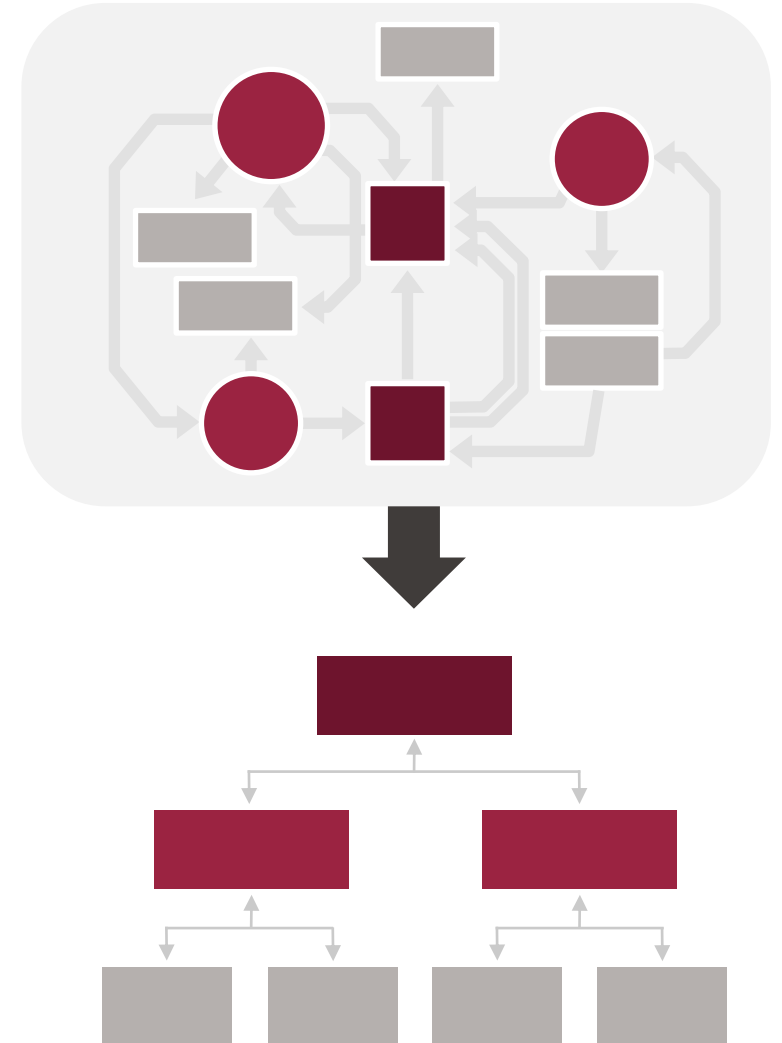
- Rationalize number of accounts considering timing of the settlement of your cash flows
- Realtime intraday liquidity management

Reduce trapped unutilized cash

- ## 2
- Concentrate cash into money centers
 - Leverage Inter-company loans instead of external borrowing

Create natural cash flow hedges

- ## 3
- Review billing processes and terms to match cash flow timing and currencies



Liquidity

Liquidity management solutions & objectives



Bank account rationalization



Gain visibility and control
of liquidity positions

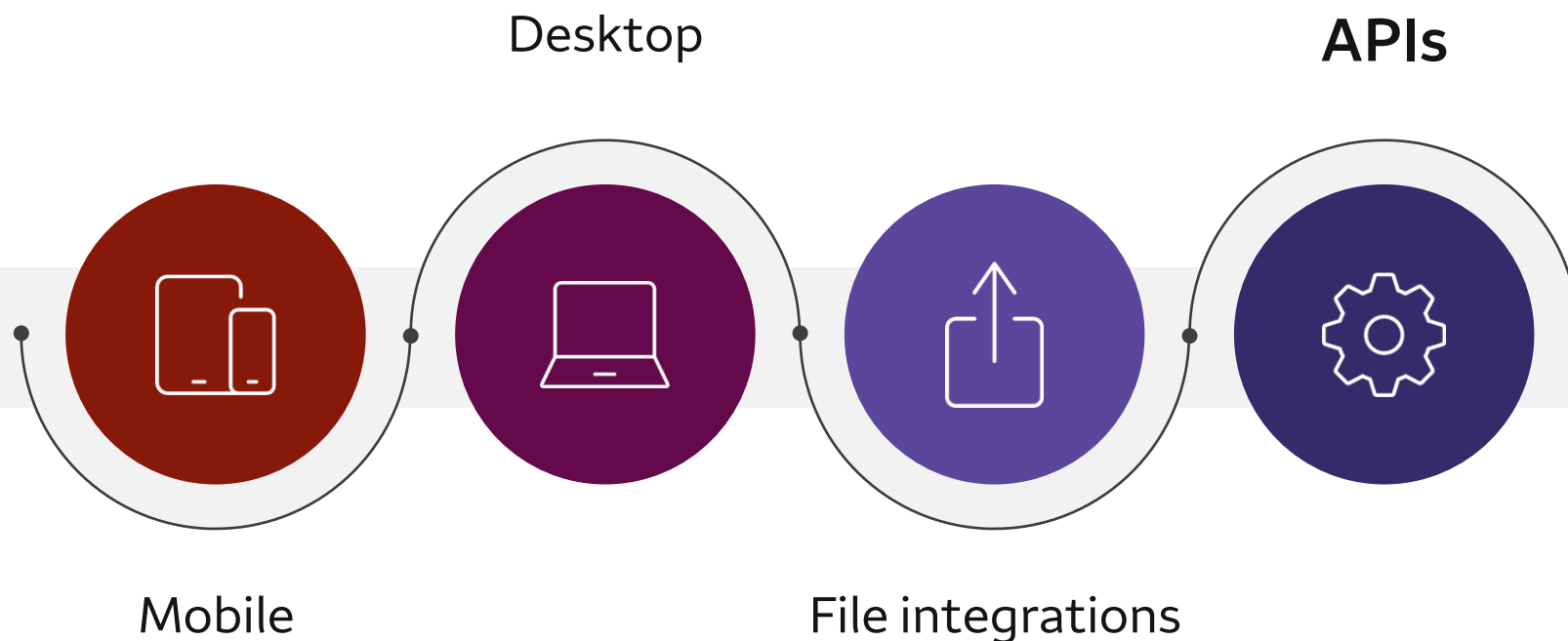


Cash management
automation



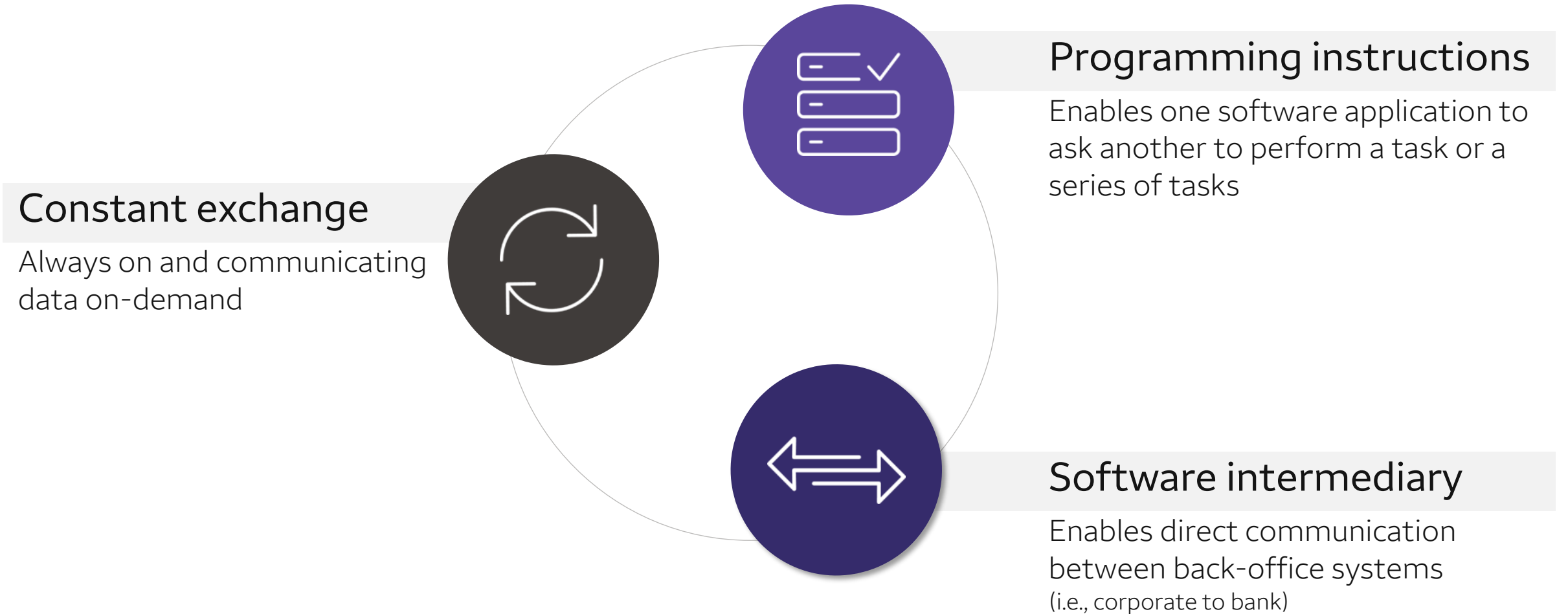
Connection channels

Connect to services through **channels to support a range of needs**



What's an API?

Application Programming Interface



Cash Management

Liquidity management solutions & objectives



Bank account rationalization



Gain visibility and control of liquidity positions



Cash management automation



Cash Management

Global Finance Industry
What's trending



Optimizing Collections
Modernizing for a Digital world



Cash application
How technology is revolutionizing



Where do you begin
Options and recommendations



Global Finance Industry
What's trending



Cash
Management
Trends

Optimizing Collections
Modernizing for a Digital world



Cash application
How technology is revolutionizing



Where do you begin
Options and recommendations

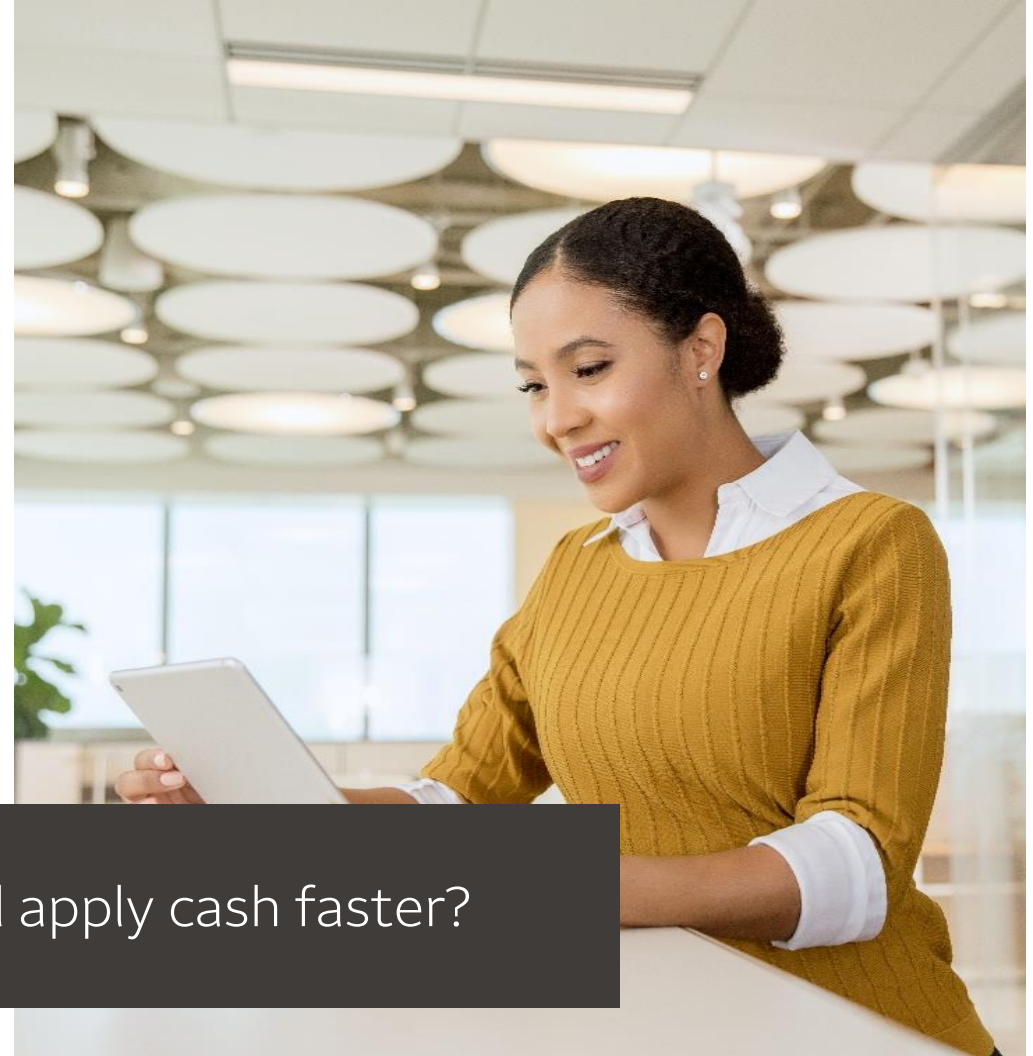


Reduce cash flow disruption

39% of all U.S. bills
are paid late

61% of late payments
are due to billing errors

Automation can help reduce errors and help ensure you post payments on time, with accurate information.



How could automation help you pay vendors and apply cash faster?

Source: Petr Marek, "7 Things to Include on an Invoice to Get Paid," Forbes.com, July 13, 2023, <https://www.forbes.com/sites/forbesbusinesscouncil/2023/07/13/7-things-to-include-on-an-invoice-to-get-paid/?sh=7e36e8715e03>

Reduce costs with efficiency

\$2-\$9

is the cost for most organizations to process a customer payment.*

Automation can help save on processing costs while reducing time lost due to inaccurate data or manual errors.

What type of receivables automation would help you reduce costs?



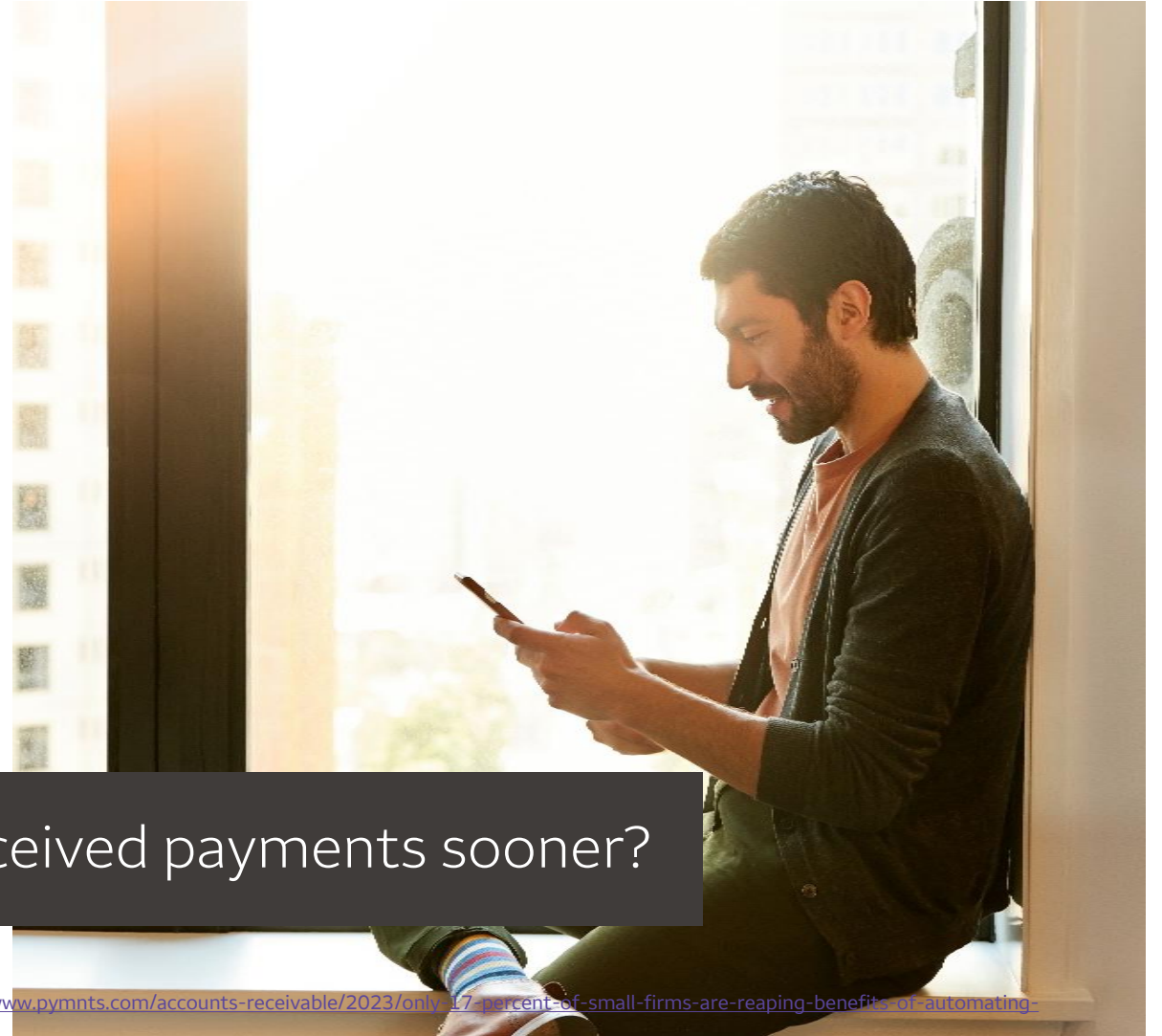
* Kristina Russo, "Top 11 Benefits of Accounts Receivable Automation," Netsuite.com, November 9, 2022, <https://www.netsuite.com/portal/resource/articles/accounting/accounts-receivable-automation-benefits.shtml>
Global Treasury Management

A quicker way to collect payments

Organizations with collections and depository automation improved their cash application by up to

19 days*

Automating your depository and collections workflows can help improve processing and speed up your recognition of cash and cash application.



What stands between you and posting received payments sooner?

* "Only 17% of Small Firms are Reaping Benefits of Automating Accounts Receivables," PYMNTS.com, July 6, 2023, <https://www.pymnts.com/accounts-receivable/2023/only-17-percent-of-small-firms-are-reaping-benefits-of-automating-accounts-receivables/>

Collections

Global Finance Industry
What's trending



Optimizing Collections
Modernizing for a Digital world



Cash application
How technology is revolutionizing



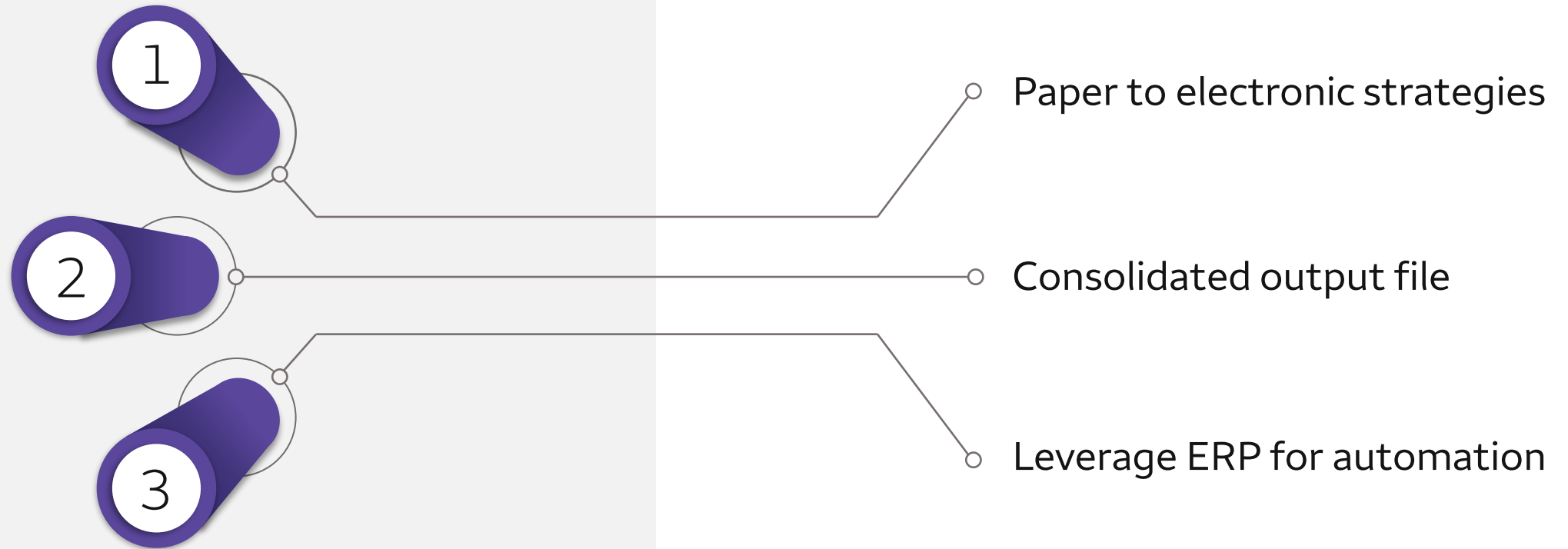
Where do you begin
Options and recommendations



Yesterday's pillars of success

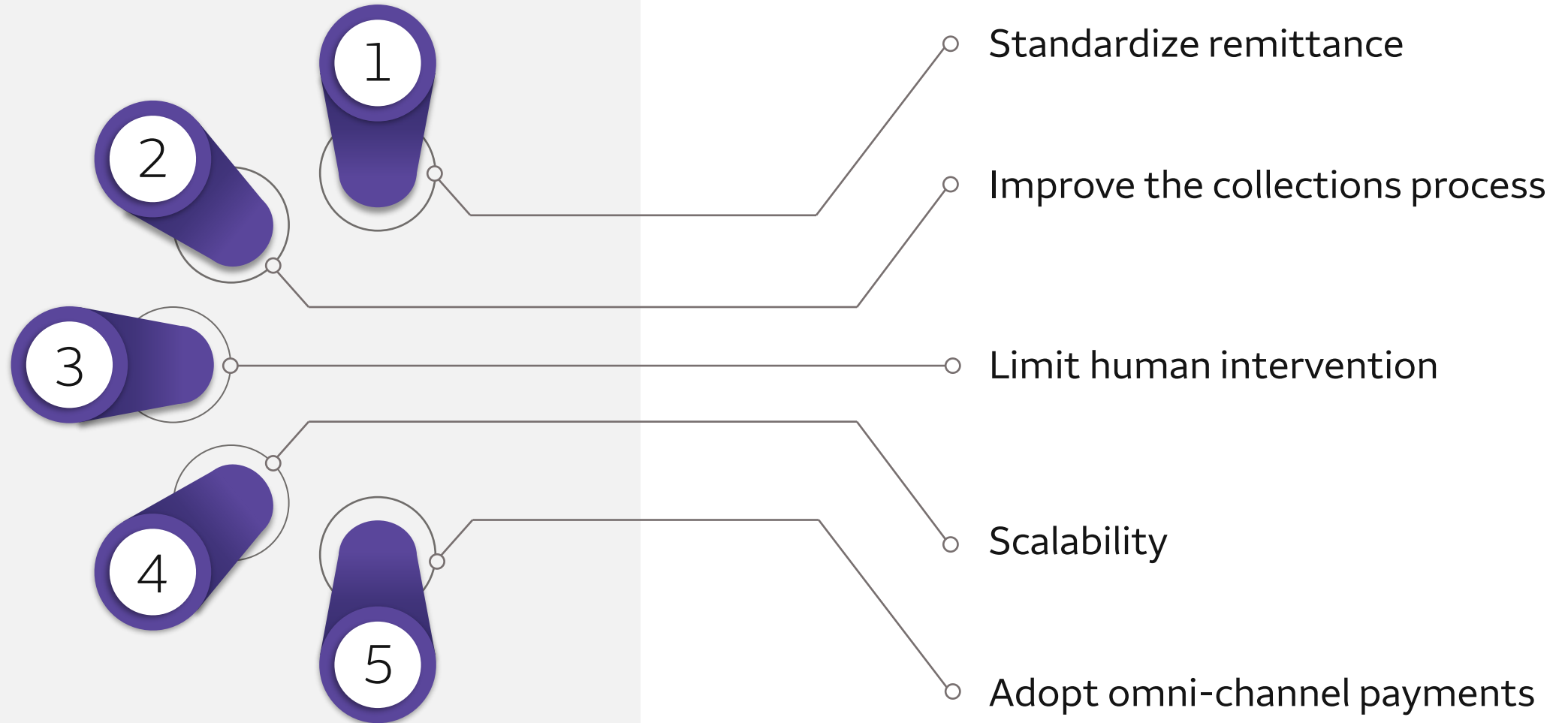
Top Goal: High Straight-Through Process

Low Emphasis on faster collections



Today's pillars of success

Top goal: Autonomous finance



Collections

Global Finance Industry
What's trending



Receivables Optimization
Modernizing for a Digital world



Cash application
How technology is revolutionizing



Where do you begin
Options and recommendations



It's not just about a consolidated output file



Common challenges

Manual linking of payments and remittances

Remittance information missing

Partial payments or payment exceptions

Deduction Management

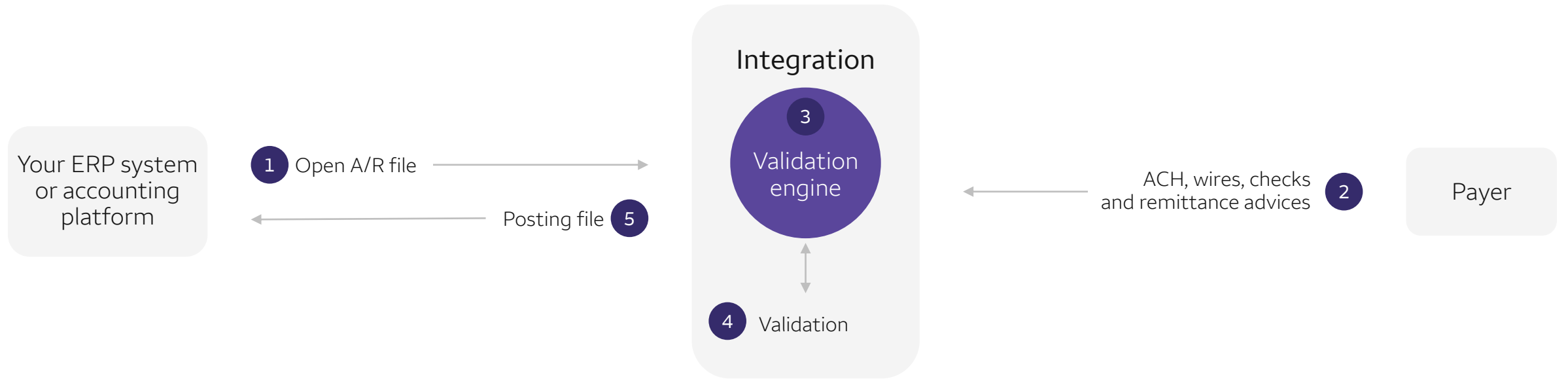
Costly research time and outreach

High cost in lockbox fees – high cost in value added keying

Customer friction impact from delays

Working capital impact from delays

Next level invoice matching



<p>1</p> <p>Open invoice file</p> <p>Customer provides an open billing file from their ERP system or accounting platform to collections platform</p>	<p>2</p> <p>Payer</p> <p>Payers send all payment types and remittance information, together or separately, and it is fed into the integration engine</p>	<p>3</p> <p>Integration</p> <ul style="list-style-type: none"> • Data received is automatically captured with the payment or in a separate remittance advice • Engine reassociates payments to remittance advices • Re-associated data is validated against records in the open billing file 	<p>4</p> <p>Validation portal</p> <p>All exceptions are presented for editing, review, and validation</p>	<p>5</p> <p>Customer ERP</p> <p>File is sent to your ERP system or accounting platform for automated posting</p>
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Collections

Global Finance Industry
What's trending



Optimizing Collections
Modernizing for a Digital world



Cash application
How technology is revolutionizing



Where do you begin
Options and recommendations



9 pieces to understanding your collections cycle

1

Document your
collections process flow

2

Document time
allocation

3

Know your straight through
processing (STP) rate

4

Understand constituent
segmentation

5

Identify areas for
improvement

6

Document types
of exceptions

7

Identify desired
future state

8

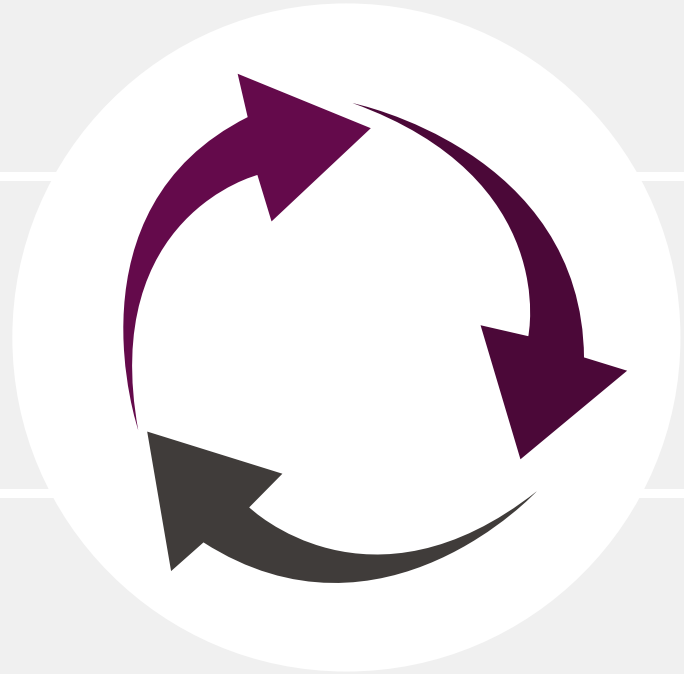
Identify additional
payment types

9

Understand impact
to process

Identify efficiency opportunities

Create the momentum for a positive change



Understand

your current collections processes, customer segmentation and behaviors through onsite visits and staff discussions

Determine opportunities

to help streamline and enhance current process while ensuring risks are identified and addressed

Create a plan

to recommend best practices, identify needs, resources, and provide a roadmap designed to help you meet your objectives

Business Process Review

Gaining insight and identifying potential risks in your processes

Observe, analyze, and consult

Focused on what matters most to you

Proven results benchmarked to your industry



Payables

Payment Terms Strategy



Working Capital Improvement
Example



Develop and Leverage
payment terms strategy



Payment Strategy
Options and Examples



Payables

Payment Terms Strategy



Working Capital Improvement
Example



Develop and Leverage
payment terms strategy



Payment Strategy
Options and Examples



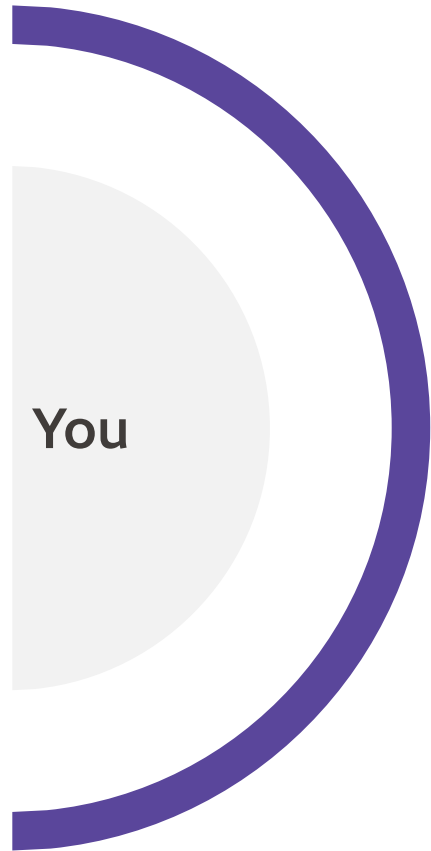
What is a payment terms strategy?

A payment terms strategy **outlines the conditions under which you agree to pay your suppliers to help accelerate and optimize paper-to-electronic conversion.** Such conditions might include payment term incentives for preferred payment methods such as commercial card. This can help you enrich working capital, maximize discount opportunities, and streamline your payables processes.

Create a winning strategy to **align with your goals, strengthen your supplier relationships, boost digital payment acceptance, and elevate cash flow.**



Payment terms strategy potential benefits



- Working capital improvement
- Greater efficiency and controls
- Revenue share earning potential
- Support of sustainability goals
- Maximized discount opportunities

- Process ease*
- Guaranteed payments†
- Faster payments †
- Preferred supplier status
- Simplified reconciliation



*NAPCP 2023 “Hot Topic Discussion Session: Leveraging Payments Products as Working Capital Solutions.”
†Commercial Payments Supplier Acceptance Survey 4th Edition. July 2023.

Payables

Global Finance Industry
What's trending



Working Capital Improvement
Example



Develop and Leverage
payment terms strategy

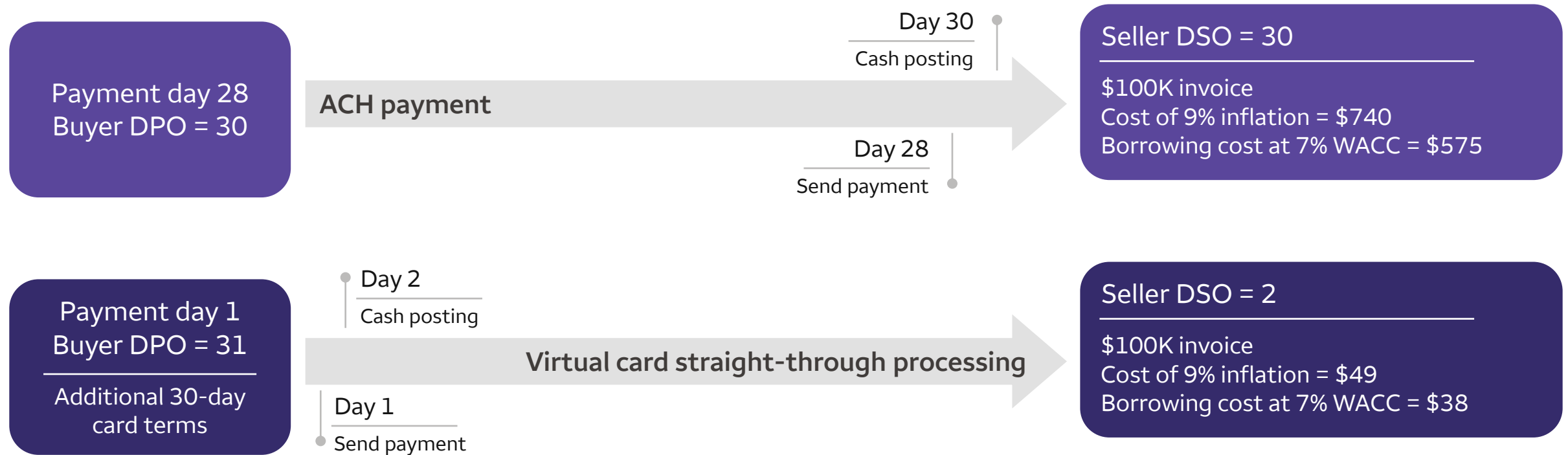


Payment Strategy
Options and Examples



Example: working capital improvement

Invoice net 30-day trade terms*



Potential savings of \$691 and \$537, respectively

* Mercator Advisory Group, Time to Improve Virtual Card Acceptance, August 2022

Payables

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What's trending



Working Capital Improvement
Example



Develop and Leverage
payment terms strategy

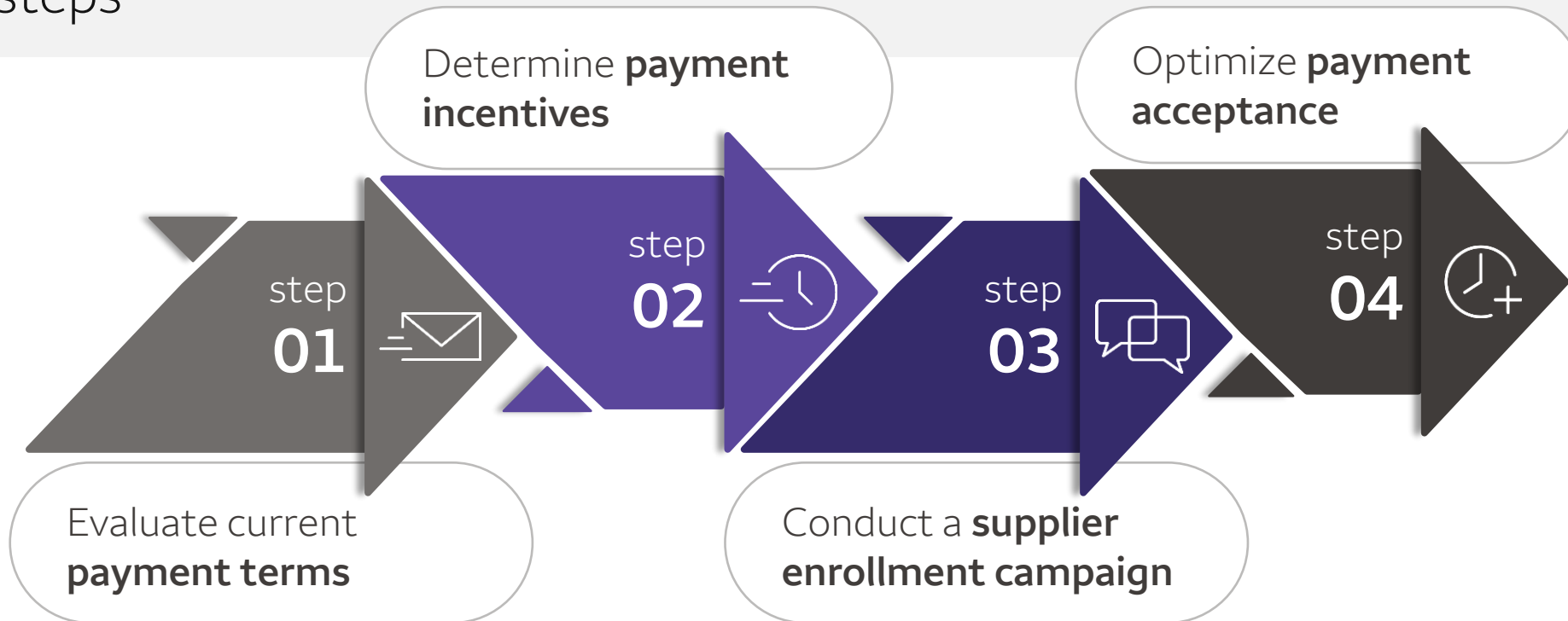


Payment Strategy
Options and Examples



Develop and leverage a payment terms strategy

4 key steps



Impact of a successful payment terms strategy

80%

Organizations that **conduct four key supplier enablement steps** have **80% more virtual card-accepting suppliers** than those that perform two or fewer.*

84%

of respondents cite **the ability to get paid more quickly, as a reason to accept virtual cards.**

Over three quarters of respondents will initiate a virtual card payment within 20 days of receiving an invoice, and one-third will initiate this payment in less than 10 days.†

top
3

Suppliers value **DSO acceleration, guaranteed payments, and ease of processing** as the top three reasons to accept card payments from buyers.*

*Palmer & Gupta, RPMG Research Corp. "2022 Virtual Card Benchmark Survey Results.", May 2022

†Commercial Payments Supplier Acceptance Survey 4th Edition. July 2023

Payables

Global Finance Industry
What's trending



Working Capital Improvement
Example



Develop and Leverage
payment terms strategy



Payment Strategy
Options and Examples



Payment strategy options and examples

Incentive	Disincentive	Combination	Negotiated
Offer accelerated payment terms when suppliers use your preferred payment type.	Offer the standard or extended payment terms when suppliers do not accept your preferred payment type.	Offer a tiered approach that combines incentives and disincentives by payment type.	Offer a customized approach for suppliers based on your preferred payment terms and relationship.
Examples (using 30 days as existing payment terms)			
Pay electronically: <ul style="list-style-type: none"> • Same day • Within 10 days • Within 20 days If declined, extended payment terms remain in place.	Pay electronically within 30 days (standard). If declined, extended payment terms apply: <ul style="list-style-type: none"> • 45 days • 60 days • 90 days 	Combination strategy options: <ul style="list-style-type: none"> • Card – same day, within 10, or 20 days • ACH – within 30, or 45 days • Check – within 60, or 90 days 	Customized payment terms for your high value suppliers.

Next steps



Start by evaluating your current processes

- What are our standard and custom payment terms today?
- Do we take advantage of supplier discounts?
- Do we have contracts in place with terms for suppliers?
- Are our payment terms the same for all suppliers and payment types?
- How often are terms met?
- How long does it take to approve invoices?

Considerations for payment acceleration

- What is our process for payment and vendor negotiations?
- How efficient is our invoice approval process, can this be automated?
- Can we apply universal payment terms?
- Would changing terms require contract modifications?
- Are we able to offer multiple payment terms by payment type?